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June 27, 2018

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company - Annual Review of the Purchased Gas Adjustment and Gas Purchasing Policies; Docket No. 2006-5-G  
Notification that cost of gas factors will not be adjusted for the July 2018 billing cycles

Dear Ms. Boyd:

By Order No. 2006-679 ("Order"), dated November 13, 2006, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized South Carolina Electric & Gas Company ("SCE&G" or "Company") to adjust its cost of gas factors monthly pursuant to Paragraph 4 of the Settlement Agreement adopted and approved by the Commission. Pursuant to the approved procedure and before the first billing cycle of each month, SCE&G recalculates its forecast total cost of gas factors to determine whether an adjustment should be made to the current cost of gas factors. If there is no Material Difference (this term is defined in Order Exhibit No. 1 and subsequently modified by Order No. 2009-910 issued in Docket No. 2009-5-G) between the newly recalculated gas cost factors and the gas cost factors currently in effect, then SCE&G has the discretion to adjust rates if it believes there would be a reasonable impact to customer bills. If the Company chooses not to adjust the gas cost factors currently in effect, then SCE&G is to notify the Commission, the South Carolina Office of Regulatory Staff ("ORS"), and the South Carolina Energy Users Committee ("SCEUC") that the existing cost of gas factors will remain in effect for the next billing cycle. If, however, a Material Difference exists or the Company chooses to exercise its discretion and adjust its rates, then SCE&G is to notify the Commission, ORS, and the SCEUC of the Company's intent to adjust its gas cost factors beginning with the first billing cycle in the next succeeding month.

(Continued ...)

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In accordance with the approved procedure, the Company has recalculated its forecast total cost of gas factors to be effective with the Company's first billing cycle in July 2018. Based upon the Company's updated calculations, no Material Difference exists between the newly recalculated gas cost factors and the gas cost factors currently in effect. Moreover, SCE&G is not electing to exercise its discretion and adjust rates at this time. Therefore, for the July 2018 billing cycles, this letter serves as notification to the Commission that no adjustment will be made to the total cost of gas factors currently in effect.

By copy of this letter and in compliance with the Order, we are also notifying ORS and the SCEUC that the current total cost of gas factors will remain in effect for July 2018. In addition, we are providing them with copies of updated versions of Exhibits A and B evidencing that no Material Difference exists between the newly recalculated cost of gas factors and the factors currently in effect.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Matthew W. Gissendanner

MWG/kms  
Enclosures

cc: Jeffrey M. Nelson, Esquire  
Scott Elliott, Esquire  
Dawn Hipp  
(all via First Class U.S. mail and electronic mail w/enclosures)

Michael Seaman-Huynh  
Matt Schellinger  
(both via electronic mail w/enclosures)

## Exhibit A

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY  
PROJECTED COMMODITY AND DEMAND COSTS  
(OVER)/UNDER COLLECTION**

	<u>COMMICOST</u> <u>PER THERM</u> (COL. 1)	<u>BILLING</u> <u>COMMICOST</u> <u>PER THERM</u> (COL. 2)	<u>DIFFERENCE</u> (COL. 3)	<u>FIRM SALES</u> <u>THERMS</u> (COL. 4)	<u>COMMODITY</u> <u>(OVER)UNDER</u> <u>COLLECTION</u> (COL. 5)	<u>CUMULATIVE</u> <u>COMMODITY</u> <u>(OVER)UNDER</u> <u>COLLECTION</u> (COL. 6)	<u>DEMAND</u> <u>(OVER)UNDER</u> <u>COLLECTION</u> (COL. 7)	<u>CUMULATIVE</u> <u>DEMAND</u> <u>(OVER)UNDER</u> <u>COLLECTION</u> (COL. 8)	<u>TOTAL</u> <u>(OVER)UNDER</u> <u>COLLECTION</u> (COL. 9)	<u>CUMULATIVE</u> <u>TOTAL</u> <u>(OVER)UNDER</u> <u>COLLECTION</u> (COL. 10)
BEGINNING BAL. @ Jun 18						(\$4,467,995)		\$8,211,457		\$3,743,462
Jul-18	\$0.43012	\$0.28884	\$0.14128	8,458,926	\$1,195,077	(\$3,272,918)	\$2,688,731	\$10,900,188	\$3,883,808	\$7,627,270
Aug-18	\$0.50667	\$0.28884	\$0.21782	8,321,832	\$1,812,677	(\$1,460,241)	\$2,424,676	\$13,324,864	\$4,237,353	\$11,864,623
Sep-18	\$0.44192	\$0.28884	\$0.15308	8,611,043	\$1,318,161	(\$142,080)	\$2,579,945	\$15,904,809	\$3,898,106	\$15,762,729
Oct-18	\$0.43039	\$0.28884	\$0.14154	11,071,347	\$1,567,065	\$1,424,985	(\$1,265,933)	\$14,638,877	\$301,132	\$16,063,860
Nov-18	\$0.42569	\$0.28884	\$0.13685	17,900,818	\$2,449,665	\$3,874,650	(\$4,395,711)	\$10,243,166	(\$1,946,046)	\$14,117,815
Dec-18	\$0.32479	\$0.28884	\$0.03595	32,790,626	\$1,178,738	\$5,053,388	(\$6,110,695)	\$4,132,471	(\$4,931,957)	\$9,185,858
Jan-19	\$0.27417	\$0.28884	(\$0.01467)	45,457,956	(\$666,937)	\$4,386,450	(\$10,485,749)	(\$6,353,277)	(\$11,152,686)	(\$1,966,828)
Feb-19	\$0.22495	\$0.28884	(\$0.06389)	41,816,718	(\$2,671,790)	\$1,714,661	(\$1,907,188)	(\$8,260,466)	(\$4,578,978)	(\$6,545,806)
Mar-19	\$0.24670	\$0.28884	(\$0.04214)	32,161,476	(\$1,355,403)	\$359,258	(\$237,868)	(\$8,498,335)	(\$1,593,272)	(\$8,139,078)
Apr-19	\$0.22363	\$0.28884	(\$0.06521)	19,703,698	(\$1,284,941)	(\$925,683)	\$3,303,981	(\$5,194,354)	\$2,019,040	(\$6,120,038)
May-19	\$0.32875	\$0.28884	\$0.03991	11,696,002	\$466,744	(\$458,939)	\$2,411,235	(\$2,783,120)	\$2,877,978	(\$3,242,060)
Jun-19	\$0.33795	\$0.28884	\$0.04911	9,345,619	\$458,939	(\$0)	\$2,783,120	\$0	\$3,242,059	\$0
Total				247,336,063	\$4,467,995		(\$8,211,455)		(\$3,743,462)	

**Exhibit B**

**South Carolina Electric and Gas Company  
Development of DCOG, CCOG and Total Cost of Gas Factors**

<b>Jul-18</b>	<b>Residential</b>	<b>SGS / MGS</b>	<b>LGS</b>
<b>DCOG Factor</b>	<b>\$0.29320</b>	<b>\$0.18178</b>	<b>\$0.26057</b>
<b>CCOG Factor</b>	<b>\$0.29678</b>	<b>\$0.29678</b>	<b>\$0.29678</b>
<b>Total Cost of Gas Factor</b>	<b>\$0.58998</b>	<b>\$0.47856</b>	<b>\$0.55735</b>